

LATHAM & WATKINS LLP

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Special Counsel for the Debtors

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case No.
19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**SUMMARY SHEET TO SECOND INTERIM
AND FINAL FEE APPLICATION OF
LATHAM & WATKINS LLP FOR
ALLOWANCE AND PAYMENT OF
COMPENSATION AND REIMBURSEMENT
OF EXPENSES (NOVEMBER 1, 2019
THROUGH JULY 1, 2020)**

Date: TBD

Time: TBD

Place: United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

Judge: Hon. Dennis Montali

**Objection Deadline: September 21, 2020
4:00 p.m. (Pacific Time)**

No hearing requested

GENERAL INFORMATION

Name of Applicant: Latham & Watkins LLP

Authorized to Provide Professional Services to: Special Counsel for the Debtors and Debtors in Possession

Petition Date: January 29, 2019

Retention Order Date: February 24, 2020, *nunc pro tunc* to January 29, 2019

Interim Compensation Period for which compensation and reimbursement are sought: February 1, 2020 - July 1, 2020 (“**Second Interim Fee Period**”)

Final Compensation Period for which compensation and reimbursement are sought: November 1, 2019 through July 1, 2020 (“**Final Fee Period**”)

SUMMARY OF FEES AND EXPENSES SOUGHT IN SECOND INTERIM FEE PERIOD

Amount of Compensation Sought as Actual, Reasonable, and Necessary: **\$2,676,794.00**

Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary: **\$20,894.27**

Total Compensation and Expenses Requested for the Compensation Period: **\$2,697,688.27**

SUMMARY OF PRIOR INTERIM FEE APPLICATIONS

Date Filed	Period Covered	Requested Fees	Requested Expenses	Paid Fees	Paid Expenses
6/8/2020 [Dkt. No. 7837]	11/1/19 – 01/31/20	\$856,907.00	\$7,412.10	\$685,525.60	\$7,412.10
-	-	\$856,907.00	\$7,412.10		

SUMMARY OF PRIOR MONTHLY FEE STATEMENTS

Date Filed	Period Covered	Requested Fees	Requested Expenses	Paid Fees	Paid Expenses	Holdback Fees Requested
4/30/2020 [Dkt. No. 7017] ¹	11/1/19 – 02/29/20	\$1,589,000.00	\$18,878.16	\$1,270,801.60	\$18,878.16	\$317,800.00
6/30/2020 [Dkt. No. 8226]	03/01/20 – 05/31/20	\$1,723,968.50	\$9,372.11	CNO Pending [Dkt. No. 8774]	CNO Pending [Dkt. No. 8774]	\$344,793.70

¹ The First Monthly Fee Application (as defined below) includes fees for the period of February 1, 2020 through February 29, 2020, which are covered in the Second Interim Fee Period.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Paid Fees	Paid Expenses	Holdback Fees Requested
8/28/2020 [Dkt. No. 8882]	06/01/20-07/01/20	\$220,732.50	\$56.10	Application Pending	Application Pending	\$44,146.50
-	-	\$3,533,701.00	\$28,306.37			-

Summary of Any Objections to Monthly Fee Statements: **None.**

Compensation and Expenses Sought in Second Interim Fee Period Not Yet Paid: **\$2,100,547.81**

**COMPENSATION BY PROFESSIONALS
FEBRUARY 1, 2020 THROUGH JULY 1, 2020**

The attorneys and paraprofessionals who rendered legal services in these Chapter 11 Cases during the Second Interim Fee Period are:

NAME OF PROFESSIONAL:	POSITION	YEAR ADMITTED	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Richard A. Levy	Partner	1983	\$1,325.00	3.5	\$4,637.50
James E. Brandt	Partner	1983	\$1,290.00	333.2	\$429,828.00
Robert A. Koenig	Partner	1986	\$1,235.00	0.5	\$617.50
Janice M. Schneider	Partner	1992	\$1,100.00	9.4	\$10,340.00
Robert W. Perrin	Partner	1998	\$1,070.00	505.9	\$541,313.00
Ted A. Dillman	Partner	2008	\$1,005.00	3.3	\$3,316.50
Gavin M. Masuda	Partner	2008	\$975.00	12.4	\$12,090.00
Drew T. Gardiner	Partner	2004	\$950.00 ²	22.9	\$21,329.00
James I. Mann	Partner	2006	\$950.00	18.9	\$17,955.00
Michael J. Reiss	Partner	2010	\$950.00	577.5	\$548,625.00
Meryn C. Grant	Associate	2013	\$895.00	133.3	\$119,303.50
Tiffany M. Ikeda	Associate	2011	\$895.00	106.2	\$95,049.00
Shawn P. Hansen	Associate	2015	\$810.00	42.7	\$34,587.00
John D. Niemeyer	Associate	2015	\$810.00	3	\$2,430.00
Setareh Homayoni	Associate	2016	\$760.00	47.6	\$36,176.00
Ellina Chulpaeff	Associate	2017	\$695.00	111.2	\$77,284.00
Diego E. Flores	Associate	2017	\$695.00	6.3	\$4,378.50
Michael A. Hale	Associate	2017	\$695.00	408	\$283,560.00
Caitlin J. Campbell	Associate	2018	\$590.00	400.5	\$236,295.00
Alexandra H. Gianelli	Associate	2018	\$590.00	90.7	\$53,513.00
Robert Medina	Associate	2019	\$500.00	278.1	\$139,050.00
Gamelin-Arnold Telesfort	Litigation Services Attorney	--	\$360.00	0.6	\$216.00

² Drew Gardiner's hourly rate increased from \$920 to \$950 when he was promoted to Partner in March 2020. The hourly rate included here reflects his current hourly rate.

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NAME OF PROFESSIONAL:	POSITION	YEAR ADMITTED	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Andrea Casalett	Litigation Services Supervising Attorney	--	\$360.00	0.3	\$108.00
John M. Eastly	Senior Paralegal	--	\$355.00	13.5	\$4,792.50
Total Professionals:	24	--	--	3,129.5	\$2,676,794.00

PROFESSIONALS	BLENDED RATE (rounded to nearest dollar)	TOTAL HOURS BILLED	TOTAL COMPENSATION
Partners and Counsel	\$1,069	1,487.5	\$1,590,051.50
Associates	\$665	1,627.6	\$1,081,626.00
Blended Attorney Rate	\$858	3,115.1	\$2,671,677.50
Paraprofessionals and other non-legal staff	\$355	14.4	\$5,116.50
Total Fees Incurred	\$855	3,129.5	\$2,676,794.00

**COMPENSATION BY WORK TASK CODE FOR
SERVICES RENDERED BY LATHAM & WATKINS LLP
FEBRUARY 1, 2020 THROUGH JULY 1, 2020³**

TASK CODE	DESCRIPTION	HOURS	AMOUNT
118	Derivative Action: Wollman v. Andrews, et. al.	4.5	\$4,297.50
145	Advice on Tribal Matters	13.3	\$12,209.00
165	Insurance Counseling	37.4	\$38,652.00
166	North Bay Fires Securities Class Action ⁴	2,928.1	\$2,491,132.50
167	OFPRS v. Chew, et al.	9.9	\$7,966.00
172	Bowlinger Derivative Action	1.6	\$1,470.00
173	Public Safety Power Shutoffs Class Action	113.4	\$100,602.50
174	BIOMAT	21.3	\$20,464.50
TOTAL		3129.5	\$2,676,794.00

³ The total amounts do not include expenses.

⁴ This task code also includes time spent on preparation of the monthly fee statements and interim fee applications.

EXPENSE SUMMARY
FEBRUARY 1, 2020 THROUGH JULY 1, 2020⁵

EXPENSES	AMOUNTS
Fixed Asset Sale	\$950.00
Telephone Conferencing / Video Conferencing	\$238.60
Meals	\$4,442.38
Travel / Transportation	\$22,675.39
Total Expenses Requested:	\$20,894.27

⁵ Explanations of the enumerated expenses are provided along with the detailed time entries for each task code for (i) February 2020 in the *Monthly Fee Statement of Latham & Watkins LLP for Allowance and Payment of Compensation and Reimbursement of Expenses for the Period of November 1, 2019 through February 29, 2020* [Dkt. No. 7017] (“**First Monthly Fee Application**”), (ii) March 2020 through May 2020 in the *Monthly Fee Statement of Latham & Watkins LLP for Allowance and Payment of Compensation and Reimbursement of Expenses for the Period of March 1, 2020 through May 31, 2020* [Dkt. No. 8226] (“**Second Monthly Fee Application**”) and (iii) June 1 2020, through July 1, 2020 in the *Monthly Fee Statement of Latham & Watkins LLP for Allowance and Payment of Compensation and Reimbursement of Expenses for the Period of June 1, 2020 through July 1, 2020* [Dkt. No. 8882] (“**Third Monthly Fee Application**”).

**COMPENSATION BY PROFESSIONALS
NOVEMBER 1, 2019 THROUGH JULY 1, 2020**

The attorneys and paraprofessionals who rendered legal services in these Chapter 11 Cases during the Final Fee Period are:

NAME OF PROFESSIONAL:	POSITION	YEAR ADMITTED	HOURLY RATE (2019) ⁶	HOURLY RATE (2020) ⁷	TOTAL HOURS BILLED	TOTAL COMPENSATION
Richard A. Levy	Partner	1983	\$1,270.00	\$1,325.00	13.3	\$17,204.50
James E. Brandt	Partner	1983	\$1,235.00	\$1,290.00	386	\$495,910.50
Robert A. Koenig	Partner	1986	--	\$1,235.00	0.5	\$617.50
Janice M. Schneider	Partner	1992	--	\$1,100.00	9.4	\$10,340.00
Robert W. Perrin	Partner	1998	\$1,000.00	\$1,070.00	775	\$818,204.00
Ted A. Dillman	Partner	2008	\$960.00	\$1,005.00	21.7	\$21,205.50
James Ktsanes	Partner	2007	\$960.00	--	2.5	\$2,400.00
Gavin M. Masuda	Partner	2008	\$910.00	\$975.00	13.4	\$13,052.00
Drew T. Gardiner	Partner	2004	\$885.00	\$920.00	38.6	\$35,542.00
James I. Mann	Partner	2006	--	\$950.00	18.9	\$17,955.00
Michael J. Reiss	Partner	2010	\$870.00	\$950.00	814.8	\$764,260.00
Meryn C. Grant	Associate	2013	\$830.00	\$895.00	219.5	\$191,447.50
Tiffany M. Ikeda	Associate	2011	\$860.00	\$895.00	180.9	\$159,648.00
Devin O' Connor	Associate	2013	\$830.00	--	0.6	\$498.00
Shawn P. Hansen	Associate	2015	\$670.00	\$810.00	66.5	\$51,667.00
John D. Niemeyer	Associate	2015	--	\$810.00	3	\$2,430.00
Setareh Homayoni	Associate	2016	\$590.00	\$760.00	84.8	\$59,229.00
Ellina Chulpaeff	Associate	2017	--	\$695.00	111.2	\$77,284.00
Diego E. Flores	Associate	2017	--	\$695.00	6.3	\$4,378.50
Michael A. Hale	Associate	2017	--	\$695.00	410.7	\$285,436.50
Caitlin J. Campbell	Associate	2018	--	\$590.00	402.4	\$237,416.00
Alexandra H. Gianelli	Associate	2018	--	\$590.00	90.7	\$53,513.00
Macaulay Ivory	Associate	--	\$480.00	--	28.5	\$13,680.00

⁶ Rates are not included if a professional did not render services in that particular year.

⁷ Fees attributable to the period after December 31, 2019 are charged at the Applicant's 2020 rates, subject to a customary rate adjustment that was negotiated and agreed to by the Debtors and the Applicant in a manner consistent with past practice.

NAME OF PROFESSIONAL:	POSITION	YEAR ADMITTED	HOURLY RATE (2019) ⁶	HOURLY RATE (2020) ⁷	TOTAL HOURS BILLED	TOTAL COMPENSATION
Robert Medina	Associate	2019	\$380.00	\$500.00	390.1	\$190,442.00
Gamelin-Arnold Telesfort	Litigation Services Attorney	--	--	\$360.00	0.6	\$216.00
Andrea Casalett	Litigation Services Supervising Attorney		\$340.00	\$360.00	2.6	\$890.00
John M. Eastly	Senior Paralegal	--	\$345.00	\$355.00	25.1	\$8,834.50
Total Professionals:	27				4,117.6	\$3,533,701.00

PROFESSIONALS (Final Period)	BLENDED RATE (rounded to nearest dollar) (Final Period)	TOTAL HOURS BILLED (Final Period)	TOTAL COMPENSATION (Final Period)
Partners and Counsel	\$1,049	2,094.1	\$2,196,691.00
Associates	\$665	1,995.2	\$1,327,069.50
Blended Attorney Rate	\$862	4,089.3	\$3,523,760.50
Paraprofessionals and other non-legal staff	\$351	28.3	\$9,940.50
Total Fees Incurred	\$858	4,117.6	\$3,533,701.00

**COMPENSATION BY WORK TASK CODE FOR
SERVICES RENDERED BY LATHAM & WATKINS LLP
NOVEMBER 1, 2019 THROUGH JULY 1, 2020**

TASK CODE	DESCRIPTION	HOURS	AMOUNT
118	Derivative Action: Wollman v. Andrews, et. al.	6	\$5,759.50
145	Advice on Tribal Matters	13.3	\$12,209.00
146	CERCLA Clean Up – Topock	0.6	\$498.00
161	North Bay Fires – Derivative Litigation	43.9	\$42,091.00
165	Insurance Counseling	73.9	\$59,650.50
166	North Bay Fires Securities Class Action ⁸	3,817.6	\$3,269,106.50
167	OFPRS v. Chew, et al.	11.6	\$9,053.00
171	Williams Derivative Litigation	0.4	\$236.00
172	Bowlinger Derivative Litigation	12.5	\$11,195.50
173	Public Safety Power Shutoffs Class Action	116.5	\$103,437.50
174	BIOMAT	21.3	\$20,464.50
TOTAL		4,117.6	\$3,533,701.00

⁸ This task code also includes time spent on the preparation of monthly fee applications, interim fee applications, the final fee application, and the Applicant's retention application. This includes a total of 160.2 hours devoted to such matters, totaling \$118,590 in fees.

EXPENSE SUMMARY
NOVEMBER 1, 2019 THROUGH JULY 1, 2020

EXPENSES	AMOUNTS
Fixed Asset Sale	\$950.00
Telephone Conferencing / Video Conferencing	\$238.60
Meals	\$4,442.38
Travel / Transportation	\$22,675.39
Total Expenses Requested:	\$28,306.37

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Special Counsel for the Debtors

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**SECOND INTERIM AND FINAL FEE
APPLICATION OF LATHAM & WATKINS
LLP FOR ALLOWANCE AND PAYMENT
OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES
(NOVEMBER 1, 2019 THROUGH JULY 1,
2020)**

Date: TBD

Time: TBD

Place: United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

Judge: Hon. Dennis Montali

**Objection Deadline: September 21, 2020
4:00 p.m. (Pacific Time)**

No hearing requested

Latham & Watkins LLP (“**Latham**” or the “**Firm**”), special counsel for PG&E Corporation and Pacific Gas and Electric Company (the “**Debtors**”) in the above-captioned chapter 11 cases

1 (the “**Chapter 11 Cases**”), hereby submits its Second Interim and Final Fee Application (the “**Final**
2 **Application**”) for allowance and payment of compensation for professional services rendered and for
3 reimbursement of actual and necessary expenses incurred for the interim period commencing February
4 1, 2020, through July 1, 2020 (the “**Second Interim Fee Period**”) and the final period commencing
5 November 1, 2019 through July 1, 2020 (the “**Final Fee Period**”), pursuant to the *Order Pursuant to 11*
6 *U.S.C §§ 331 and 105(a) and Fed. R. Bankr. P. 2016 for Authority to Establish Procedures for Interim*
7 *Compensation and Reimbursement of Expenses of Professionals*, entered on February 27, 2019 [Dkt.
8 No. 701] (the “**Interim Compensation Procedures Order**”), sections 330 and 331 of title 11 of the
9 United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure
10 (the “**Bankruptcy Rules**”), the *Guidelines for Compensation and Expense Reimbursement of*
11 *Professionals and Trustees* (the “**Northern District Guidelines**”), the *United States Trustee Guidelines*
12 *for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §*
13 *330* (the “**UST Guidelines**”), the Fee Examiner Protocol [Dkt. No. 4473], and the Local Bankruptcy
14 Rules for the Northern District of California.

15 The Final Application is based upon the points and authorities cited herein, the Declaration of
16 Michael J. Reiss (the “**Reiss Declaration**”) filed concurrently herewith, the exhibit attached thereto, the
17 pleadings, papers, and records on file in this case, and any evidence or argument that the Court may
18 entertain at the time of the hearing on the Final Application.

19 **CASE BACKGROUND AND STATUS**

20 **A. The Debtors’ Bankruptcy Proceedings**

21 The Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on
22 January 29, 2019 (the “**Petition Date**”). The Debtors continue to operate their businesses and manage
23 their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

24 On February 12, 2019, the Office of the United States Trustee for the Northern District of
25 California (the “**U.S. Trustee**”) appointed an Official Committee of Unsecured Creditors in the Debtors’
26 cases (the “**Creditors’ Committee**”). On February 15, 2019, the U.S. Trustee appointed an Official
27 Committee of Tort Claimants (the “**TCC**”). On May 29, 2019, upon the request of the U.S. Trustee, the
28

1 Court appointed Professor Bruce A. Markell as the fee examiner in these Chapter 11 Cases (the “**Fee**
2 **Examiner**”).

3 **B. The Debtors’ Retention of Latham**

4 On February 27, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 105(a), 327, 328,*
5 *and 330 Authorizing the Debtors to Employ Professionals Used in the Ordinary Course of Business*
6 *Nunc Pro Tunc to the Petition Date* [Dkt. No. 707] (the “**OCP Order**”) authorizing the Debtors to retain
7 and compensate legal services professionals that the Debtors employ in the ordinary course of business
8 (collectively, the “**Ordinary Course Professionals**”) subject to the terms of the OCP Order. Latham
9 has served as counsel to the Debtors prior to the Petition Date and has continued to serve in such capacity
10 pursuant to the OCP Order. Pursuant to the OCP Order, the Debtors previously filed the *Declaration*
11 *and Disclosure Statement of Robert W. Perrin on Behalf of Latham & Watkins LLP*, annexed as Exhibit
12 A-29 to the *Notice of Filing of (I) Ordinary Course Professional Declarations and Retention*
13 *Questionnaires and (II) List of Additional Ordinary Course Professionals* [Dkt. No 1130].

14 While Latham was approved and had been serving as an Ordinary Course Professional in the
15 Chapter 11 Cases, developments in these cases—particularly in the securities class actions—have
16 compelled Latham to dedicate significantly more time to its representation of the Debtors. Accordingly,
17 on February 5, 2020, the Debtors filed the *Application of Debtors Pursuant to 11 U.S.C. § 327(e), Fed.*
18 *R. Bankr. P. 2014(a) and 2016, and the Order Authorizing the Debtors to Employ Professionals Used*
19 *in the Ordinary Course of Business for Authority to Retain and Employ Latham & Watkins LLP as*
20 *Special Counsel for the Debtors Effective as of the Petition Date* [Dkt. No. 5645] and the *Declaration of*
21 *Robert W. Perrin in Support of Application of Debtors Pursuant to 11 U.S.C. § 327(e), Fed. R. Bankr.*
22 *P. 2014(a) and 2016, and the Order Authorizing the Debtors to Employ Professionals Used in the*
23 *Ordinary Course of Business for Authority to Retain and Employ Latham & Watkins LLP as Special*
24 *Counsel for the Debtors Effective as of the Petition Date* [Dkt. No. 5646] (the “**Perrin Retention**
25 **Declaration**”). On February 24, 2020, the Court entered the *Order Pursuant to 11 U.S.C. § 327(e), Fed.*
26 *R. Bankr. P. 2014(a) and 2016, and the Order Authorizing the Debtors to Employ Professionals Used*
27 *in the Ordinary Course of Business for Authority to Retain and Employ Latham & Watkins LLP as*
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1 *Special Counsel for the Debtors Effective as of the Petition Date* [Dkt. No. 5886] (the “**Retention**
2 **Order**”). A copy of the Retention Order is attached hereto as Exhibit A.

3 The Retention Order authorizes the Debtors to compensate and reimburse the Firm pursuant to
4 the Bankruptcy Code, the Bankruptcy Rules, the Northern District Guidelines, and the Interim
5 Compensation Order. Subject to the Firm’s application to the Court, the Debtors also are authorized by
6 the Retention Order to compensate Latham at the Firm’s standard hourly rates for services performed
7 and to reimburse the Firm for actual and necessary expenses incurred. The Retention Order authorized
8 Latham to counsel, advise, and represent the Debtors regarding:

- 9
- 10 • two securities class actions, one of which was filed pre-petition and one that was filed post-
petition, including related insurance counseling;
 - 11 • with respect to six pre-petition derivative actions pending in federal and state court related to
12 the 2017 and 2018 Northern California wildfires;
 - 13 • regarding compliance issues stemming from the settlement of a derivative action in
14 connection with the San Bruno accident; and
 - 15 • in a variety of environmental matters.

16 **C. Professional Compensation and Reimbursement of Expenses Requested**

17 By this Final Application, the Firm seeks (i) allowance of compensation in the amount of
18 \$2,676,794.00 and actual and necessary expenses in the amount of \$20,894.27, for a total allowance of
19 \$2,697,688.27, and payment of \$535,358.80 (20% of the allowed fees)⁹ for the Second Interim Fee
20 Period, and (ii) final allowance of compensation in the amount of \$3,533,701.00 and actual and necessary
21 expenses in the amount of \$28,306.37 for the Final Fee Period.

22 All services for which Latham requests compensation were performed for or on behalf of the
23 Debtors. Latham has received no payment and no promises for payment from any source other than the
24 Debtors for services rendered or to be rendered in any capacity whatsoever in connection with the matters
25 covered by this Final Application.

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27 ⁹ This figure assumes payment of the Firm’s fees pursuant to the First Monthly Fee Application, the Second
28 Monthly Fee Application, and the Third Monthly Fee Application.

1 There is no agreement or understanding between Latham and any other person other than the
2 partners of Latham for the sharing of compensation to be received for services rendered in these cases.
3 In connection with these Chapter 11 Cases, as of this date, Latham has been paid \$959,903.00 in fees
4 and reimbursed \$8,741.10 in expenses as an Ordinary Course Professional, and \$1,271,200.00 in fees
5 and reimbursed \$18,878.16 in expenses as a retained professional.

6 The Firm has billed the Debtors in these Chapter 11 Cases in accordance with its existing billing
7 rates and procedures in effect during the Second Interim Fee Period and the Final Fee Period. Subject
8 to the disclosures contained in the Perrin Retention Declaration and the Reiss Declaration, these rates
9 are the same rates Latham charges for services rendered by its attorneys and paraprofessionals in
10 comparable matters, and are reasonable given the compensation charged by comparably skilled
11 practitioners in similar matters in both the California and national markets. The Summary Sheet filed
12 herewith contains tables listing the Latham attorneys and paraprofessionals who have performed services
13 for the Debtors during the Second Interim Fee Period and the Final Fee Period, including their job titles,
14 hourly rates, aggregate number of hours worked in this matter, and, for attorneys, the year in which each
15 professional was licensed to practice law. The Summary Sheet also contains a table summarizing the
16 hours worked by the Firm's attorneys and paraprofessionals. Latham maintains computerized time
17 records, which have been filed on the docket with the Firm's monthly fee statements and furnished to
18 the Debtors, counsel for the Creditors' Committee and the TCC, the U.S. Trustee, and the Fee Examiner
19 in the format specified by the Interim Compensation Order.

20 **D. Budget and Budget-to-Actual Performance**

21 For the months of February 2020, March 2020, April 2020, May 2020, and June 2020, Latham
22 provided budget estimate ranges to the Debtors of \$400,000 to \$600,000, \$400,000 to \$1,000,000,
23 \$300,000 to \$1,000,000, \$200,000 to \$800,000, and \$200,000 to \$700,000 respectively. The actual fees
24 for March, April, May *and* June 2020 ultimately proved to be materially lower than the Firm's high-end
25 estimates. In total, the Firm's actual fees of \$2,676,794.00 for the Second Interim Fee Period fall below
26 the midpoint of the provided total estimated range of \$1,500,000 to \$4,100,000, and over \$1,400,000
27 below the high-end estimate.
28

1 **JURISDICTION**

2 This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. sections 157 and 1334.
3 This is a core proceeding pursuant to 28 U.S.C. section 157(b). Venue is proper before this Court
4 pursuant to 28 U.S.C. sections 1408 and 1409.

5 **PROJECT BILLING AND NARRATIVE**
6 **STATEMENT OF SERVICES RENDERED**

7 During the Second Interim Fee Period, Latham professionals expended 3,129.5 total hours on
8 behalf of the Debtors: 1,487.5 hours were expended by partners and counsel; 1,627.6 by associates; and
9 14.4 by paraprofessionals. Latham's attorneys billed at hourly rates ranging from \$590 to \$1,325. Based
10 on the foregoing, the blended rate for the Second Interim Fee Period is \$855. Moreover, during the Final
11 Fee Period, Latham Professionals expended 4,117.6 total hours on behalf of the Debtors: 2,094.1 were
12 expended by partners and counsel; 1,995.2 by associates; and 28.3 by paraprofessionals. Latham's
13 attorneys billed at hourly rates ranging from \$380 to \$1,325. Based on the foregoing, the blended rate
14 for the Final Fee Period is \$858.

15 In accordance with the Interim Compensation Procedures Order, the Northern District
16 Guidelines, and the Local Rules, the Firm has classified services performed into specific categories set
17 forth below. Latham has attempted to place the services provided in the category that best relates to
18 such services; because certain services may relate to one or more categories, however, services pertaining
19 to one category may in fact be included in another category.

20 **A. Wollman v. Andrews, et al.**

21 Latham continues to represent the Debtors in connection with their obligation arising under the
22 settlement of the San Bruno Fire Derivative Cases (Case No. JCCP 4648-C) to report the Debtors'
23 progress implementing corporate governance and gas operations therapeutics on a quarterly basis to the
24 San Mateo Superior Court and City of San Mateo. Such reporting obligations continue through January
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1 16, 2023.

2 Second Interim Fee Period: Total Hours: 4.5 Total Fees: \$4,297.50

3 Final Fee Period: Total Hours: 6 Total Fees: \$5,759.50

4 **B. CERCLA Clean Up – Topock**

5 Latham has been representing and advising the Debtors regarding federal law compliance issues
6 associated with the Debtors' implementation of a remedy to address contamination at the Topock
7 Compressor Station Project Site pursuant to the Comprehensive Environmental Response,
8 Compensation, and Liability Act (Superfund Act), including on compliance with respect to the National
9 Historic Preservation Act and Endangered Species Act.

10 Second Interim Fee Period: Total Hours: 0 Total Fees: \$0

11 Final Fee Period: Total Hours: 0.6 Total Fees: \$498.00

12 **C. Pending Derivative Litigation Matters**

13 Latham continues to represent the Debtors in connection with six pre-petition derivative actions
14 pending in federal and state court. These matters include: *Oklahoma Firefighters Pension & Retirement*
15 *System v. Chew et al.* (No. 18-cv-04698, N.D. Cal.), *Williams v. Earley et al.* (No. 18-cv-7128, N.D.
16 Cal.), *Blackburn v. Meserve et al.* (No. 19-cv-00501, N.D. Cal.), *In re California North Bay Fire*
17 *Derivative Litigation* (No. CGC-17-562591, SF Superior Court), *Bowlinger v. Chew et al.* (No. CGC-
18 18-572326, SF Superior Court), and *Hagberg v. Chew et al.* (No. CGC-19-573190, SF Superior Court).
19 While all of these matters were stayed as a result of the bankruptcy during the applicable period, Latham
20 continued to advise Debtors on strategic considerations and possible resolutions of the matters.

21 The total hours and fees attributable to each task code concerning the derivative actions are as
22 follows:

23 • North Bay Fires – Derivative Litigation

24 Second Interim Fee Period: Total Hours: 0 Total Fees: \$0

25 Final Fee Period: Total Hours: 43.9 Total Fees: \$42,091.00

26 • OFPRS v. Chew, et al.

27 Second Interim Fee Period: Total Hours: 9.9 Total Fees: \$7,966.00

1 Final Fee Period: Total Hours: 11.6 Total Fees: \$9,053.00

2 • Williams Derivative Litigation

3 Second Interim Fee Period: Total Hours: 0 Total Fees: \$0

4 Final Fee Period: Total Hours: 0.4 Total Fees: \$236.00

5 • Bowlinger Derivative Litigation

6 Second Interim Fee Period: Total Hours: 1.6 Total Fees: \$1,470.00

7 Final Fee Period: Total Hours: 12.5 Total Fees: \$11,195.50

8 **D. North Bay Fires Securities Class Actions**

9 Work in this billing category relates to a pre-petition putative securities class action (*In re PG&E*
10 *Corporation Securities Litigation (Case No. 18-CV-359, N.D. Cal.)*, [Dkt. No. 62]) arising from the 2017
11 and 2018 Northern California wildfires. Plaintiff Public Employees Retirement Association of New
12 Mexico (“PERA”) alleges that the Debtors and certain of PG&E’s current and former officers made
13 numerous false statements and/or failed to disclose required information regarding PG&E’s fire safety
14 practices during the putative class period of April 29, 2015 through June 8, 2018, and asserts claims
15 under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated
16 thereunder. Plaintiff additionally alleges claims under Section 11 and 15 of the Securities Act of 1933
17 against certain current and former directors and officers of the Debtors, and also the underwriters of four
18 Senior Note offerings by the Debtors during the putative class period.

19 Latham attorneys performed extensive work during the Final Fee Period relating to these claims,
20 including but not limited to coordinating with counsel for the Debtors’ current and former directors and
21 officers and with counsel for the underwriters, assisting with the analysis and presentation of issues
22 concerning the litigation to this Court, preparing for potential estimation proceedings, assisting PG&E
23 with issues related to Plan confirmation (including preparation of PG&E’s confirmation reply brief),
24 assisting with PG&E’s response to PERA’s appeal of this Court’s order regarding the application of
25 Bankruptcy Rule 7023, and coordinating mediation efforts. This category also includes time spent on
26 the preparation of the monthly fee statements, interim fee applications, and the Firm’s retention
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1 application and related materials.

2 Second Interim Fee Period: Total Hours: 2,928.1 Total Fees: \$2,491,132.50

3 Final Fee Period: Total Hours: 3,817.6 Total Fees: \$3,269,106.00

4 **E. Public Safety Power Shutoffs Class Action**

5 Latham continues to assist Debtors in connection with this securities class action, styled *Vataj v.*
6 *Johnson, et al.* (Case No. 19-cv-6996, N.D. Cal.), Dkt. No. 1, which was filed post-petition on October
7 25, 2019. Plaintiff alleged that Debtors and certain of PG&E's officers made pre- and post-petition
8 misrepresentations regarding PG&E's wildfire prevention efforts and safety protocols related to rolling
9 power cuts that PG&E implemented to minimize wildfire risk during a putative class period of December
10 13, 2018 through October 28, 2019, and asserted claims pursuant to Sections 10(b) and 20(a) of the
11 Exchange Act and Rule 10b-5 promulgated thereunder. Plaintiff filed an amended complaint on April
12 17, 2020 that names PG&E Corporation as a defendant, and asserts a putative class period of December
13 13, 2018 through October 28, 2019 for the officer defendants and a putative class period of January 30,
14 2018 through October 28, 2019 for PG&E Corporation.

15 Latham's work during the Final Fee Period included advising Debtors in connection with these
16 claims, analyzing the amended complaint, and coordinating with counsel to the officer defendants.

17 Second Interim Fee Period: Total Hours: 113.4 Total Fees: \$100,602.50

18 Final Fee Period: Total Hours: 116.5 Total Fees: \$103,437.50

19 **F. Insurance Counseling**

20 Latham continues to advise the Debtors in connection with issues relating to their directors and
21 officers insurance policies, including but not limited to issues arising in connection with the above
22 securities and derivative litigation matters.

23 Second Interim Fee Period: Total Hours: 37.4 Total Fees: \$38,652.00

24 Final Fee Period: Total Hours: 73.9 Total Fees: \$59,650.50

25 **G. Advice on Tribal Matters**

26 Latham continues to represent PG&E as special tribal counsel in connection with the negotiation
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of easements, grant deeds and related documents with Indian tribes.

Second Interim Fee Period: Total Hours: 13.3 Total Fees: \$12,209.00

Final Fee Period: Total Hours: 13.3 Total Fees: \$12,209.00

H. Biomat

Latham is representing PG&E in connection with the drafting of a rider to the form of bioenergy market adjusting tariff power purchase agreement to be included in agreements that are entered into with Indian tribes or other tribal instrumentalities.

Second Interim Fee Period: Total Hours: 21.3 Total Fees: \$20,464.50

Final Fee Period: Total Hours: 21.3 Total Fees: \$20,464.50

EXPENSE SUMMARY **SECOND INTERIM FEE PERIOD AND FINAL FEE PERIOD**

As is typical practice in chapter 11 cases, the Firm advanced costs on behalf of the Debtors in connection with the discharge of the duties described in the Final Application. During the Second Interim Fee Period, Latham incurred a total of \$20,894.27 in expenses. These expenses, which include travel to and from New York, meals during travel and for mediations, and transportation are reasonable and necessary to the smooth administration of these Chapter 11 Cases. During the Final Fee Period, Latham incurred a total of \$28,306.37 in expenses. Receipts for all significant expenses have been provided to the Debtors and the Fee Examiner.

LEGAL BASIS FOR FINAL COMPENSATION

The professional services for which Latham requests final allowance of compensation and reimbursement of expenses were rendered and incurred in connection with this case in the discharge of Latham's professional responsibilities as special counsel for the Debtors in these Chapter 11 Cases. Latham's services have been necessary and beneficial to the Debtors and their estates, creditors, and other parties in interest.

In accordance with the factors enumerated in section 330 of the Bankruptcy Code, Latham respectfully submits that the amount requested by Latham is fair and reasonable given the complexity of these Chapter 11 Cases, the time expended, the nature and extent of the services rendered, the value of

1 such services, and the costs of comparable services other than in a case under the Bankruptcy Code.
2 Moreover, Latham has reviewed the requirements of the Interim Compensation Procedures Order, the
3 Northern District Guidelines, and the UST Guidelines and believes that the Interim Application complies
4 with all of them except as specifically noted herein.

5 **RESERVATION OF RIGHTS**

6 It is possible that some professional time expended or expenses incurred during the Final Fee
7 Period are not reflected in this Final Application. Latham reserves the right to include such amounts
8 in future fee applications.

9 **AVAILABLE FUNDS**

10 The Firm understands that the Debtors' estate has sufficient funds available to pay the fees and
11 costs sought herein.

12 **NOTICE**

13 Notice of the Final Application has been provided to parties in interest in accordance with the
14 procedures set forth in the Interim Compensation Order. We submit that, in view of the facts and
15 circumstances of these Chapter 11 Cases, such notice is sufficient and no other or further notice need be
16 provided.

17 **CONCLUSION**

18 Latham respectfully requests a final allowance to Latham for (i) compensation in the amount of
19 \$3,533,701.00 and actual and necessary expenses in the amount of \$28,306.37, for a total allowance of
20 \$3,562,007.37 for the Final Fee Period, which includes compensation in the amount of \$2,676,794.00
21 and actual and necessary expenses in the amount of \$20,894.27, for a total allowance of \$2,697,688.27
22 for the Second Interim Fee Period; (ii) an authorization for payment of \$535,358.80 (20% of the allowed
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1 fees for the Second Interim Fee Period), as related to the Second Interim Fee Period, and (iii) for such
2 other and further relief as this Court deems proper.

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6 Dated: August 31, 2020

Respectfully submitted,

7 **LATHAM AND WATKINS LLP**

8 By: /s/ Michael J. Reiss
9 Michael J. Reiss

10 *Special Counsel for Debtors and Debtors in Possession*
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